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C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 000859

SIPDIS

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TAGS: RS PGOV PREL GM

SUBJECT: GERMANY UPBEAT ABOUT U.S.-RUSSIAN RELATIONS

REF: STATE 70576

Classified By: ACTING POLITICAL MINISTER COUNSELOR STAN OTTO FOR REASON S 1.4 (c) AND (d).

(C) Summary. The German Chancellery and MFA view President Obama's trip to Moscow as successful, especially given how poor U.S.-Russian relations were at the beginning of the year. MFA Head of Russia, Ukraine, and Belarus Division Ernst Reichel and Chancellery Head of Former Soviet Union and Eastern Europe Division Juergen Schulz on July 10 largely agreed with reftel that the trip showed a remarkable improvement in U.S-Russian relations. Reichel and Schulz had little to say regarding START and Afghanistan beyond their general relief that cooperation was moving forward. On missile defense and Iran, contacts hoped that the U.S. and Russian positions were beginning to line-up. Finally, while interested in the new U.S.-Russian Presidential Commission, MFA and Schulz had low expectations for their own intergovernmental consultations with Russia on July 16. Overall, Berlin welcomes the U.S. efforts to work more closely with Russia. END SUMMARY.

MISSILE DEFENSE AND ARMS CONTROL

- 12. (C) Berlin is hopeful that the U.S. and Russia are moving closer to an agreement on missile defense, and contacts point to the Joint Understanding provision regarding "the interrelationship of strategic offensive and strategic defensive arms" as a potential breakthrough. The MFA -- arguing that Russia already has "given up ground regarding missile defense" -- sees this provision as key for assuaging remaining Russian concerns. The MFA and Chancellery often express Germany's strong interest in arms control and disarmament.
- 13. (C) Of greater concern to Russia than missile defense, in the MFA,s view, is the possibility of NATO troops stationed in another former Warsaw Pact country. Similarly, Poland cares more about Patriots than the missile defense shield. Poland does "not want to be seen as a second class NATO member" while Russia views the stationing of troops in the former communist country as violating agreements from the end of the Cold War. This disagreement with Russia on troop stationing has the potential to be more damaging to relations than the debate surrounding missile defense.

COMING TO AGREEMENT ON IRAN?

14. (C) Both the MFA and Chancellery commented that it appears that President Obama achieved a breakthrough in Moscow, which led to Russia,s support of a "stronger G8 statement" in L,Aquila on July 8. Moreover, the MFA questions whether the U.S. was more successful in Moscow than we shared with the German MFA. Contacts are "pleased" by Russia's apparent recognition that Iran is more threatening than Russia previously thought, but remain concerned that Moscow will not follow-up its tougher rhetoric with actions.

- 15. (C) Understanding the difficulty of forming a U.S.-Russia commission that did not upset Prime Minister Putin, the MFA and Chancellery welcome the creation of a presidential commission that will keep lines of communication between the U.S. and Russia open. Although contacts were flattered to hear that the German-Russian Intergovernmental Commission was one model in establishing the new commission and welcomed future inquiries into the logistics surrounding the German-Russian consultations, Reichel mentioned that the German model will only be helpful to a certain degree because the proposed American model "is more rigid than the German format."
- 16. (C) President Obama,s comment before the Summit about Putin having one leg in the past was either a blunder or an attempt to divide Medvedev and Putin, more likely the latter, according to the MFA. However, such an attempt is a waste of time as the two leaders are "different sides of the same coin." A rift between Medvedev and FM Lavrov is more likely, according to Reichel. Apparently, Lavrov,s "poor behavior at Corfu" caused Medvedev to remove Lavrov as the Russian lead in organizing the Moscow Summit.

CONSULTATIONS ON THURSDAY JULY 16

16. (C) Both the MFA and Chancellery downplayed expectation concerning the July 16 Intergovernmental Consultations near Munich, predicting that the meeting would be "routine." Although Iran will be a topic, contacts expect the economic crisis and climate change to be the focus of the

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consultations. However, German press speculates that Chancellor Merkel will press Medvedev to allow the UN to resume its mission in Georgia. According to Reichel, the Russians are disappointed that a large number of German ministers will not be present. For instance, Foreign Minister Steinmeier will be on vacation before he launches into the final stretch of the campaign season. Pollard